

Foreign Investment Review Agency

of years. This one is dated 1976 and was approved by the Minister of Justice (Mr. Chrétien) who was then responsible for the administration of FIRA. Incidentally, the other two companies were approved by little Jack Horner. In any event, Harlock Williams Lemon Ltd. scored six out of ten on the criteria scale.

Mr. Rose: That's good.

Mr. Deans: Yes, he did very well.

Mr. Rose: He was not a lemon.

Mr. Deans: Let me tell hon. members about Harlock Williams Lemon Ltd. An agency news release dated October 7, 1976 states as follows:

A proposal by Harlock Williams Lemon Ltd. to establish a marine insurance underwriting agency in Vancouver, British Columbia. The proposal was deemed to have been allowed.

What was the significant benefit to Canada? Do we not have enough marine insurance underwriters on the west coast? FIRA not only gave approval, it deemed his application approved, which concerns me somewhat. However, I have no way of finding out whether the company lived up to its commitments, how much money was involved, and whether there was any benefit to anyone other than the company.

Mr. Darling: They will take insurance from Canadian agencies.

Mr. Deans: Yes, and presumably ship it out of the country since the company was to be involved in exports. I expect the export was money—money which we can hardly afford. My last example, can be found in an agency news release dated January 28, 1981. It reads:

The allowance of one foreign investment proposal was announced today by the Hon. Herb Gray, minister responsible for the administration of the Foreign Investment Review Act.

A summary, in tabular form, of the benefits identified is attached.

The proposal is by Sandvik Canada Corp., of Mississauga, Ontario, which is owned by Sandvik AB of Sandviken, Sweden, which is controlled by two Swedish companies, Korhaes-Marmo AB and Investment AB Kinnevik, both of Sweden; and Noranda Mines Limited, of Toronto, Ontario, to acquire control of the business carried on by Noranda Metal Industries Limited, consisting of its Special Metals Division at Arnprior, Ontario, which manufactures nickel alloy and stainless steel seamless tubing for use primarily in Candu nuclear reactors.

● (1750)

Given that it scored seven out of ten, I wonder if the House thinks it is a good idea to transfer the ownership of a company manufacturing something as important as the tubing for Candu nuclear reactors to a foreign-owned and foreign-controlled company? What would be the significant technological benefit to us? What would they be able to do that we were unable to do previously? If we were not able to do it previously, does it mean we were making an inferior product prior to this company taking over? Does it mean that the product which was being made previous to this approval was not of the highest quality? Does it mean that we were producing tubes for Candu reactors in a less efficient, less controllable and less beneficial way than it will be the case in future?

I should like to refer to some of the reasons for this takeover. The first of the serious matters dealt with was improved productivity and industrial efficiency. The second was enhanced technological development. Then there was improved product variety and innovation, as well as beneficial impact on competition. Of course the takeover fitted in, as everything supposedly does, with industrial and economic policies.

There are some questions I should like to ask. What was this company doing that did not measure up to what will now be done? What about the products it made which are in place in nuclear reactors?

Perhaps the other cases to which I referred were somewhat humorous, although important, but they made my point. But in a case such as this, surely to God there is a reason for having a clear picture of why it is deemed important to Canada's future to allow this takeover. What improvement can we expect as a result of the takeover? Perhaps the most important question would be: Were we getting less efficient or somehow less acceptable products prior to the takeover? If not, what are the benefits?

I do not think my questions are unreasonable and I should like to know why this proposal was accepted. Is it in our best interests to have a foreign-controlled and foreign-operated company making such a crucial part for nuclear reactors in this country? What conditions were placed on the company? To what extent do they have access to the technology involved in the Candu reactor development? To what extent will that technology be available to people outside the country as a result of selling this company to a foreign-held subsidiary?

It is part of the job of a Member of Parliament to try to get to the bottom of something that is as strategic as this. I share the concern of the hon. member who moved the motion about the Redpath matter. As he pointed out, he has no axe to grind with Redpath, with FIRA or with the Canada Development Corporation. I have no axe to grind with Sandvik; I do not even know the people.

In terms of policy, FIRA cannot hide behind the act. The act was not written well. It does not permit the disclosure the public of Canada requires. The act must be changed and not just when the minister gets around to it. If this type of approval is to be given in an area as important and as crucial as this, then the act must be changed forthwith so that we can adequately monitor the effect of takeovers of this type. Quite frankly, I suspect many of these things are happening. Because of their workloads, vast majority of members, are unable to keep up with all the changes that are taking place.

I want to stress that I am delighted the hon. member raised this matter today. It is a crucial matter and it is important for us to address it now. I think we should have a response from the minister as quickly as possible about the changes he will undertake in order to guarantee that a significant benefit is always involved. This must be fully disclosed, together with all the terms and conditions of any transaction, so that we can adequately monitor the work being done by FIRA and determine the degree of benefit in each transaction.